

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF PENNSYLVANIA**

In re:

ANGELA FANELLI

Chapter 13

Debtor

Bankruptcy No.: 19-11130-AMC

**CHAPTER 13 PLAN FOR RESTRUCTURING
FOR THE DEBTOR, ANGELA FANELLI**

The Following restructuring plan outlines the financial conditions which will allow for the settlement of secured debts and repayment of unsecured creditors for Angela Fanelli.

Currently Angela Fanelli is facing a financial restructuring due to the recent passing of her husband Dr. Andrew Fanelli and the cumulation of debts which were accrued by Andrew Fanelli but which have passed through to her after his passing. Being a retired professor and 74 years of age, Angela Fanelli currently lives on a restricted income provided by social security and some supplemental income from her sons, however she has worked to put a plan in place to provide for the settlement of both her secured and unsecured debts.

First, although retired, Angela Fanelli still maintains her doctorate degree as a graduate level professor with specialty in developing curriculums and college level academic programs. Angela Fanelli has the ability to provide educational consulting services to both universities and individual people which she is exploring at this time, and thus far has received positive feedback from multiple universities and individuals interested in her educational consulting services which would provide her additional wages.

Second, Angela Fanelli's two sons currently own and operate their own project management service company which generates an income. After the passing of their father, the Fanelli brothers have taken a more active involvement in their mother's financial and legal matters and are working with her to determine the means of providing financial supplemental income which would give Angela an ability to provide certain payments to the creditors.

Third, the secured creditors, namely the mortgage note holders, are already adequately protected by the value of the assets that they had collateralized at the time of the loan. These assets are already listed for sale and have adequate value to provide these secure creditors with protection of their investments. Further, these note holders had already purchased the notes from Wells Fargo Bank (the original note holder) for discounted pricing and have established mortgage insurance for the value of the note, and therefore have further protection already built into their assets.

Fourth, Angela Fanelli is selling her home in Mantoloking NJ which would provide the secured and unsecured creditors with settlement funding. It is Angela Fanelli's plan to sell her home in order to generate funds from which to pay secured and unsecured creditors. To this end, Angela Fanelli has already listed the property for sale with Diane Turton Realtors, who have been actively marketing the property. There has been a substantial buyer interest in the property from the retail side however, the home is located in a summer community market (the NJ Shore) which is not a year-round community and therefore the active sales season for her home is during the spring and summer

months. It is this reason, that the Real Estate Brokers have been asking for more time to market the property during the “Busy Season” which starts around May every year.

In addition, Angela Fanelli has individually been able to secure a buyer for her home, and this buyer has recently signed a Purchase and Sale Agreement for the property. Because this buyer is looking to purchase the note / property free and clear of encumbrances and liens, the buyer has set aside funds, in addition to the purchase price offered to the Mortgage Note Holder, to provide the unsecured creditors for satisfaction of claims against Angela Fanelli and the property.

As it relates to the unsecured creditors, we propose the following settlements for satisfaction of claims:

- Wells Fargo Bank, Equity Line Loans: ~\$241,603.63 = Settle at \$7,248.11
- Wells Fargo Bank, Equity Line Loans: ~\$244,352.22 = Settle at \$7,330.57
- Internal Revenue Service, Personal Income Tax Liens passed through from Andrew Fanelli: ~959,495.38 = Settle at \$9,594.95
- PA Department of Revenue, Personal Income Tax Liens passed through Andrew Fanelli: ~25,711.81 = Settle at \$257.12
- POF Inc, Judgment transferred to collections company: ~51,000 = Settle at \$1,530.00
- Cavalry Inc, Judgment transferred to collections company: ~1,744.72= Settle at \$87.24
- Quintrion, medical equipment company judgment: ~10,000.00= Settle at \$500.00

- TD Bank Credit Card Co.: ~\$1,026.76 = Settle at \$51.34
- LVNV collector assign for Capital One Credit Card Co.: ~\$967.30 = Settle at \$48.37
- BMW Financial Leasing Co.: ~\$3,326.59 = Settle at \$166.33
- American Express Credit Card Co.: ~\$4,618.84 = Settle at \$4230.94
- American Express Credit Card Co. (Claim#2): ~\$4,476.91 = Settle at \$223.85
- Santander Bank Loan Co.: ~\$8,950.00 = Settle at \$2,685.00
- Key Bank Loan Co.: ~18,480.00 = Settle at \$5,550.00
- Nordstrom's Credit Card Co.: ~\$3,442.12 = Settle at \$172.11
- Capital one Credit Card Co.: ~\$3,425.63 = Settle at \$171.28
- Capital one Credit Card Co. (Claim#2): ~\$4,724.32 = Settle at \$236.22
- Talbots Midland Credit Card Co.: ~\$951.26 = Settle at \$47.56
- US Bank Credit Card Co.: ~\$4,065.28 = Settle at \$203.26
- American Info Source, assignee for Capital One Credit Card Co.: ~\$2,780.08 = Settle at \$139.00

Total Value of Settlements proposed to Unsecured Creditors at \$36,473.24, paid from the sale of Angela Fanelli's home in Mantoloking, NJ.

The reasoning behind the proposed settlement values is that the market values of Angela Fanelli's homes are less than their mortgage values and would not yield additional capital for further creditors. The sole reason any capital is available to creditors from the sale of the Angela Fanelli's home is decidedly restricted willingness of the buyer to cooperate in the settlement of creditors to

facilitate the purchase of Angela Fanelli's home. Further, because Angela Fanelli has a limited income from social security, and the primary income earner who had originally incurred these debts has passed away, Angela Fanelli does not have the ability at 75 years of age to pay the creditors in full, this would not be a financially feasible alternative.

Pertaining to the IRS and PA Department of Revenue liens, these creditors currently collect a percentage of Angela Fanelli's social security income equivalent to approximately \$301.00 per month as their form of collection. Being that their judgments are valid for another 5 years, the full collections potential of their debts is less than \$18,060.00, therefore our proposed settlement would pay the majority of this debt balance immediately without having to wait an additional 5 years to collect.

It is our genuine belief that if provided with additional time through the protection of the court, Angela Fanelli will be able to sell her home, and eliminate the substantial debt of that property while at the same time satisfying the secured mortgage note holder, and reaching settlements with secure as well as unsecured creditors.

If Rushmore Loan Servicing and their attorney are successful in their current efforts to receive a stay from protection and then attempt to foreclose on the property, they will eliminate all possibility of receiving the maximum potential value from the property for their own bank client as well as eliminate any possibility of providing funds to pay secured and unsecured creditors. Rushmore Loan Service does not have any intention of providing financial

allocation towards these creditors in their foreclosure process, and would attempt to foreclose on the home at a minimum value that would provide funds to only themselves.

Mrs. Fanelli has been through a tremendous personal and financial ordeal over these past few months, not only unexpectedly losing her loving husband of 49 years, but also dealing with the financial and legal stress associated with her husbands' creditors passing through to herself. However, she is a highly accomplished professor and capable of providing services as such, and is trying to sell her homes to settle creditors. When restructured, this will provide for the best means of repayment and beneficial settlement of both the secured and unsecured creditors.

Thank you for your consideration of this restructuring plan.

Date: 4/22/19

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